

October 25, 2000

The Honorable Mayor Susan W. Kluttz,  
City Council, City Manager,  
and the Citizens of the  
City of Salisbury, North Carolina

We are pleased to submit the Comprehensive Annual Financial Report (Report) of the City of Salisbury (City) for the fiscal year ended June 30, 2000 (FY00). We are particularly proud of the fact this Report has been entirely prepared by the City's Finance Department. Responsibility for both the accuracy of the data presented and the completeness and fairness of presentation, including all disclosures, rests with the City. We believe the data is accurate in all material respects, and it is presented in a manner designed to set forth fairly the financial position and the results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. The accompanying financial statements have been audited by McGladrey & Pullen, LLP, an independent firm of certified public accountants, and their opinion is included in the Report.

### GENERAL

The financial statements have been prepared in compliance with applicable requirements of the General Statutes of North Carolina and are consistent with the standards and guidelines recognized for governmental accounting and reporting contained in both *Audits of State and Local Governmental Units*, an audit guide prepared by the Committee of Governmental Accounting of the American Institute of Certified Public Accountants (AICPA) and *Government Auditing Standards*, issued by the Comptroller General of the United States. Among the other resources used in the preparation of the financial statements, the Finance Department Staff has given particular attention to the *Governmental Accounting, Auditing and Financial Reporting* (GAAFR) issued by the Government Finance Officers Association of the United States and Canada (GFOA), and Governmental Accounting Standards Board (GASB) pronouncements.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and compliance. The introductory section includes this transmittal letter, organizational chart, a list of principal officials, and facts and information about the City. The financial section includes the general purpose financial statements, the combining and individual fund and account group financial statements, and other schedules, as well as the auditor's opinion on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The City is also required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendment of 1996, the State Single Audit Implementation Act, and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Information related to the compliance audit and the schedule of expenditures of federal and State awards are included in the compliance section of this Report.

The City participates in the Certificate of Achievement for Excellence in Financial Reporting awards program sponsored by the Government Finance Officers Association of the United States and Canada. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

The City's Comprehensive Annual Financial Report for the year ended June 30, 1999, was awarded a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report meets the Certificate of Achievement Program's requirements and intend to submit it to the GFOA to determine its eligibility for another certificate.

### **ECONOMIC CONDITION AND OUTLOOK**

The City of Salisbury is located in the heart of North Carolina. Situated along the I-85 corridor which links the community to the state's economic centers, the City is located midway between two major metropolitan regions: Charlotte to the south, and the Piedmont Triad (Greensboro, High Point and Winston-Salem) to the north. In addition to the interstate highway, the City is also served by two major rail lines which intersect in town and an airport on the outskirts of the community. This location offers widely diversified employment opportunities for residents in areas ranging from financial, educational, medical, and governmental to industrial and research activities. In summary, the diverse local economic base and long-term planning coupled with the region's advantages have made the City an attractive place to do business and to live.

The location also allows the City to serve as a trading and distribution center for the County and portions of surrounding counties. Community leaders are excited about the construction of a new commercial retail center nearing completion. Gross retail sales in Salisbury for the twelve months ended June 30, 2000, increased in excess of eight million dollars to \$675,357,120, an increase of 1.03% over last year's figures. Total Rowan County sales increased by almost 1.1% to \$1,092,306,181.

Salisbury has fared well economically in comparison to many other locales over the last several years. The economic processes of several years past propelled renewal within the community, providing local business, civic, and government leaders the opportunity to plan and direct a renewed industrial recruitment focus to further broaden and stabilize the City and County's economic base. The region's advantages and opportunities have become an attractive selling point for new businesses and industries locating or expanding in the area. The average unemployment rate over the past twelve months ended June 30, 2000, was a modest 3.8%, up 0.4% from 3.4% in 1999. This is slightly higher than the state unemployment rate which averaged 3.2%. The low unemployment rate is primarily due to a diversified industry base coupled with orderly growth and expansion of existing industries and the location of new industries and businesses in the area. Over the past 18 months, more than 1,600 new jobs have been created and in excess of \$30 million has been invested in new business and industry construction and expansions in Rowan County.

The downtown area continues to go against the trend of retail exodus to area malls. The downtown business district continues to be a thriving retail center for area merchants. During the past two fiscal years various developers, along with City and County governments, have committed to investments in excess of \$12,000,000 in the downtown area. These investments are bringing additional shopping, office space, residential apartments, banking and parking to the downtown area. In addition, the renovation of the Meroney Theater by the Piedmont Players, Inc. has helped increase business for the downtown area merchants and brought an entertainment facet to the downtown district. The Theater is used by the Piedmont Players, a local community theater group, approximately six times a year to produce and stage theatrical performances.

The City's proximity to the State's metropolitan regions and the growth in the City and County provides many advantages and challenges. The City's management, the City Council, and the citizens continue to explore and develop goals and plans to keep the City of Salisbury financially sound while providing the services domestic and corporate citizens require.

## **MAJOR INITIATIVES**

During FY00, the City of Salisbury began and continued several efforts focused on the concerns, wants and needs of its citizens which have been identified in recent Municipal Service Surveys. These efforts were made and accomplished in spite of the difficulties in trying to balance the citizens' needs and attain goals with the limited financial resources available. The City continued to make major strides toward meeting those wants and needs during FY00. Five areas worth noting were the continued progress in the City's improvement of neighborhoods, continued revitalization of downtown Salisbury, identification and recruitment of new development, the construction of a comprehensive sports complex, and the progress of the City's Multiculturalism Training Program.

The improvement of City neighborhoods and communities is one of the foremost goals that came from the City Council's Annual Future Directions and Goal Setting Conference. One of the City's key projects is the revitalization of the Park Avenue neighborhood. The City's Land Management and Development Department was honored twice during FY00 for its work on this project by receiving the National League of Cities' Golden Honor Award and the North Carolina Small Cities Implementation Award. The centerpiece of the revitalization project, the new Cannon Park, was completed during the past fiscal year. The City has also purchased two old store buildings that will be renovated and transformed into a new Community Center. Other projects in the Park Avenue revitalization efforts have included the renovations of homes and an apartment complex and the clean-up of the Tar Branch creek, which had been used extensively as a dumping site for any type of trash imaginable.

The City continues to support and encourage the revitalization of the downtown business district that began in the early 1980's. One major step in the redevelopment of the downtown area was the City's purchase of the former Flowers Bakery property in July 1997. The City has sold parts of that property to various developers who have renovated the old, dilapidated warehouses into upscale offices. Not only does the City expect to recoup its initial investment, but several million dollars in developer investments in the Flowers Bakery buildings have sparked even more redevelopment in nearby projects. A total of 15 new businesses opened in the downtown area during FY00. At a recent statewide awards ceremony, Salisbury won six awards for various downtown projects. The efforts of the City and Downtown Salisbury, Inc. have made the downtown Salisbury area a vibrant place to live, work, shop and do business.

The City's growth and redevelopment has continued outside of the downtown area as well. FY99 saw the demolition of the abandoned Towne Mall and a nearby hotel. New development in that area has included an all-suite hotel and two new restaurants. The City's tax base has continued to increase due to commercial developments such as these. Because of the downtown revitalization efforts and new development throughout the City, total assessed property valuation continued to climb in FY00. These increases in the tax base will help to ensure the City's continued economic stability.

The Parks and Recreation Department made considerable progress on the new Salisbury Community Park and Athletic Complex during FY00. Phase I of the park, which includes four soccer fields and three baseball/softball fields, was virtually completed during the past fiscal year. Although the baseball/softball fields are already being used this fall, the City has planned an official grand opening for the park in the Spring of 2001. The City has received over one million dollars in private donations and grants for the new park, which helps to minimize the impact on the City's taxpayers.

The City's Human Resource Department has provided a diversity training program for its employees during the past two years. During FY00, at a National League of Cities meeting in Washington, D.C., the National Black Caucus of Local Elected Officials presented the City with its top annual City Cultural Diversity Award for cities with 25,001 to 100,000 population. The City's Multiculturalism Training Program was first initiated with City employees and will soon be expanded to include other community organizations. The program aims to help people learn to recognize, understand, and appreciate their own culture and the culture of others.

### **FUTURE DEVELOPMENTS**

As discussed above, the Parks and Recreation Department will continue their efforts as the Salisbury Community Park and Athletic Complex takes shape. The City is currently in the planning and design stage of Phase II, which will include an eight-acre lake, a new Rowan County Sports Hall of Fame, a Little League stadium, concession stand, restrooms, scoreboard tower, landscaping and play structures. Future phases see the additions of cross-country running trails, walking trails, picnic shelters and smaller ponds to help irrigate the many fields.

The City's downtown revitalization is far from complete. F & M bank will soon begin renovations on the former Montgomery Ward building and another developer plans major renovations to an adjacent five story office building. Other future developments include the renovations of a building that will house the Waterworks Visual Arts Center. The City will be busy as well with the development of the Council Street Streetscape, downtown parking, and the Easy Street pedestrian walkway.

Regulatory compliance mandates are driving the Water and Sewer Utility's capital improvement program for FY00 and beyond. The North Carolina Division of Environmental Health has mandated that our water treatment plant be upgraded. The first of several upgrade projects were completed in FY00, with additional improvements scheduled for completion in early 2001. These projects will be paid for with a combination of state loan funds and revenue bonds. Also, the two existing wastewater treatment plants must be upgraded to maintain compliance until a new plant is mandated. A comprehensive study will determine the capital needs and a project schedule will be reviewed in FY01. Until the mandated projects at the water treatment plant are complete, construction on the wastewater projects will be postponed.

The City's Land Management and Development staff has begun the annexation process for the area along US 70 in the general vicinity of Westcliffe and Hendrix Estates subdivisions. A preliminary timeline calls for the annexation becoming effective December 31, 2001. The City has also begun looking at future annexation of land along US 29 South which would include the Rowan County Airport. No time frame has been drafted for this annexation, but if the process begins in the fall, it is conceivable that the annexation could become effective in the spring of 2002.

The City will continue to participate in the Benchmarking Project being conducted by the Institute of Government of the University of North Carolina at Chapel Hill. The purpose of this project is to provide an external context in which to examine local government performance. At this point, some police services, street maintenance, residential solid waste collection, and fire services have been and will continue to be evaluated. The City hopes to improve existing service by establishing local government performance measures which can be compared to other municipalities in order to assess our performance. City goal setting, team building, goals evaluation, and determining levels of service will all be enhanced by participating in the implementation of uniform performance measure standards that will allow for a municipality's performance to be assessed.

## **REPORTING ENTITY**

This Report includes all funds, account groups, agencies, commissions, and boards which are dependent on the City or over which the City may exercise control. The City of Salisbury (as legally defined) is considered to be a primary government. Current governmental standards for accounting and financial reporting require inclusion of the primary government as well as its component unit in a published comprehensive annual financial report. The component unit is a legally separate entity for which the primary government is primarily financially accountable or for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The primary government is considered financially accountable if it appoints a voting majority of the organization's governing body; and 1) it is able to impose its will on that organization; or, 2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burden on, the primary government.

The discretely presented component unit, Downtown Salisbury Inc., is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the primary government and to differentiate its financial position, results of operations, and cash flows from those of the primary government.

## **SERVICES PROVIDED**

The City of Salisbury provides a full range of municipal services allowable under State law including law enforcement, fire protection, zoning and code enforcement, recreation centers and parks, cemeteries, street maintenance, sanitation, and water and sewer systems.

## **GOVERNMENT STRUCTURE**

The City employs a Council-Manager form of government as provided in the City's Charter. The governing body consists of five council members, elected on a nonpartisan basis at large for a two year term. The Council elects the Mayor from among themselves. The Mayor is usually the council member receiving the highest number of votes in the general election. Elections are held in November of odd numbered years. The City Manager (the chief executive officer) is appointed by and serves at the pleasure of the Mayor and Council. The Mayor and Council adopt a balanced budget and establish a tax rate for the support of City services prior to the beginning of each July 1 to June 30 fiscal year. The City Manager administers City programs in accordance with local policy and the annual budget.

## **ACCOUNTING SYSTEMS AND BUDGETARY CONTROL**

In developing and evaluating the City's accounting systems, consideration is given to the adequacies of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal and State awards, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

As a part of the City's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and State awards, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for FY00 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary control is maintained at the departmental level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders which result in an overrun of departmental balances are not released until additional appropriations are made available. Open encumbrances lapse at year end and are reinstated against the subsequent year's appropriation. They are shown as a reservation of fund balance at June 30, 2000.

### **BASIS OF ACCOUNTING**

The City's accounting records for governmental funds are maintained on a modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized in the accounting period in which the liability is incurred except for unpaid interest on general long-term debt. Proprietary fund and pension trust fund revenues and expenses are recognized on the accrual basis whereby revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period in which they are incurred. Fiduciary funds are accounted for on the modified accrual basis, the same as for governmental funds.

### **FUND ACCOUNTING**

Governmental accounting systems should be organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or obtaining certain objectives in accordance with special regulations, restrictions, or limitations. Thus a governmental unit is a combination of several distinctly different fiscal and accounting entities, each having a separate set of accounts and functions.

### **FUND AND ACCOUNT GROUP CATEGORIES**

Governmental funds are those through which governmental functions typically are financed. The acquisition, use, and balances of the government's expendable financial resources and the related current liabilities, except those accounted for in the proprietary fund, are accounted for through governmental funds. The governmental fund measurement focus is based upon determination of financial position and changes in financial position (sources, usage, and balances of financial resources), rather than upon net income determination. The statement of revenues, expenditures, and changes in fund balance is the primary governmental fund operating statement. It may be supported or supplemented by more detailed schedules of revenues, expenditures, transfers, and other changes in fund balance.

Proprietary funds are used to account for a government's ongoing organizations and activities which are similar to those found in the private sector. All assets, liabilities, equity, revenues, expenses, and transfers relating to the government's business and quasi-business activities (where net income and capital maintenance are measured) are accounted for through proprietary funds. The generally accepted accounting principles here

are those applicable to similar businesses in the private sector; and the measurement focus is upon determination of net income, financial position, and cash flows.

Fiduciary funds are used to account for assets held by governmental units in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Agency funds are purely custodial in nature and do not measure the results of operations. Pension trust funds are accounted for in essentially the same manner as proprietary funds.

In addition to these three fund types, there is a fourth category of accounting entity, the account groups. Account groups are used to establish accounting control and accountability for the government's general fixed assets and the unmatured principal of the general long-term debt. These two account groups do not, however, account for any fixed assets or unmatured principal of any long-term debt for any proprietary fund.

## FINANCIAL MANAGEMENT

The City's financial management program continues to provide the citizens of the City with an approach which has served to enhance the City's excellent financial position by:

1. Investing all available funds not needed on a daily basis in order to maximize interest earnings, and
2. Allocating City resources only to program areas that meet community needs, and
3. Monitoring these program areas to ensure they are carried out within authorized levels.

This financial management program allows the City to achieve its goal of expanded and improved services at a reasonable cost to the citizens of Salisbury. Additionally, the City's bond rating of "A1" by Moody's Investors Service, Inc. and "A+" by Standard and Poor's Corporation was reaffirmed in June 1998. This is a reflection of the City's continued sound financial condition.

## EXHIBIT 1

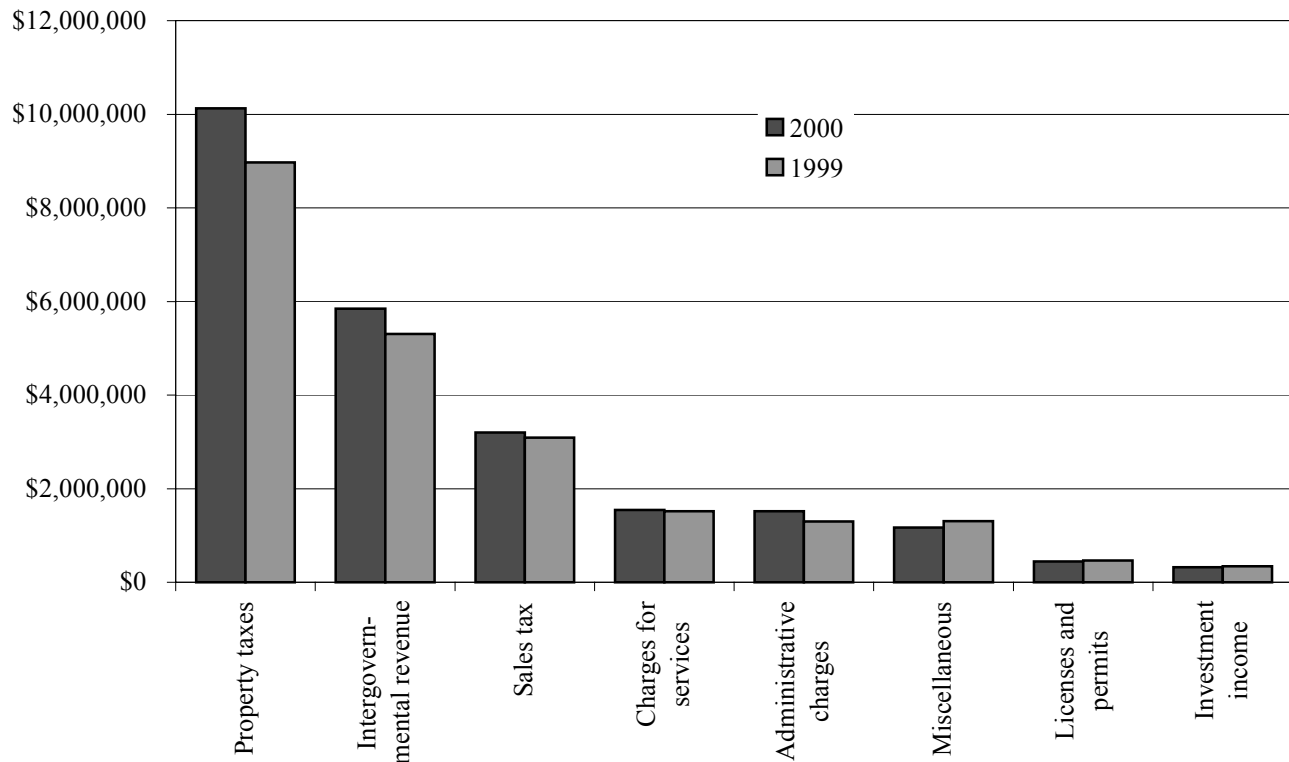
### COMPARATIVE SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES GOVERNMENTAL FUNDS

Source	2000				Percent
	Percent of	Fiscal Year Ended June 30,		Increase	Increase
	Total	2000	1999	(Decrease)	(Decrease)
Property taxes, penalties, interest, and other taxes	41.90%	\$ 10,128,466	\$ 8,969,699	\$ 1,158,767	12.92%
Intergovernmental revenue	24.18%	5,845,542	5,308,227	537,315	10.12%
Sales tax	13.25%	3,203,181	3,091,079	112,102	3.63%
Charges for services	6.39%	1,545,522	1,520,687	24,835	1.63%
Administrative charges	6.29%	1,519,860	1,299,875	219,985	16.92%
Miscellaneous	4.83%	1,168,321	1,306,069	(137,748)	(10.55%)
Licenses and permits	1.83%	441,422	466,325	(24,903)	(5.34%)
Investment income	1.33%	319,773	341,132	(21,359)	(6.26%)
Total	100.00%	\$ 24,172,087	\$ 22,303,093	\$ 1,868,994	8.38%

(Derived from Statements B-3, C-2 and D-2)

## EXHIBIT 2

### REVENUES AND OTHER FINANCING SOURCES GOVERNMENTAL FUNDS



### REVENUES - GOVERNMENTAL FUNDS

As illustrated in Exhibits 1 and 2, the \$1,868,994 (8.38%) increase in revenues in the City's governmental funds from FY99 was primarily attributable to the additional property tax revenue. Also the City had a significant increase in Intergovernmental Revenues, which was the result of reimbursements received from the State of North Carolina on various projects financed by the State.

#### Property Tax Revenues

After having a property tax rate increase of four and one-half (4.5) cents in FY99, the City reduced the tax rate by five (5) cents for FY00. The combination of this rate decrease and the recent revaluation of real property made FY00 a "tax rate neutral" year. The increase in the current tax levy of \$957,458 over FY99 was the result of the continued, substantial growth of the City's tax base created by new development. The tax rate for the downtown tax district remained at sixteen (16) cents per \$100 assessed valuation. The tax receipts from the downtown district are utilized by Downtown Salisbury, Inc. for advertising and promotional activities in the district. These tax receipts are accounted for in the Municipal Service District Agency Fund and are not included in Exhibit 1. Total property tax revenue of the City, including prior year collections increased \$1,158,767 (12.92%).

Total assessed valuation increased \$280,707,889 (18.94%) in FY00. Exhibit 3 depicts this increase by types of assessed property, while Exhibit 4 graphically illustrates the City's property tax base.

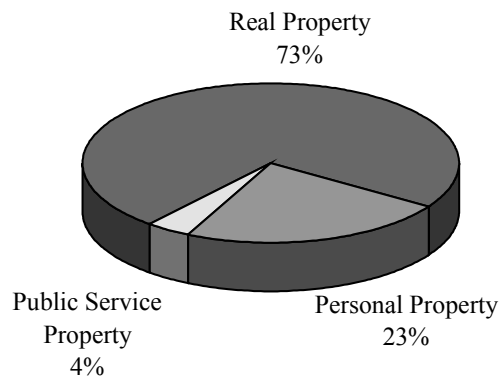


**EXHIBIT 3**  
**ASSESSED VALUATION**

Source	2000	Fiscal Year Ended June 30,		Increase	Percent
	Percent of Total	2000	1999	(Decrease)	Increase (Decrease)
Real Property	72.99%	\$ 1,287,042,497	\$ 1,042,366,457	\$ 244,676,040	23.47%
Personal Property	23.16%	408,306,143	382,196,263	26,109,880	6.83%
Public Service Property	3.85%	67,811,314	57,889,345	9,921,969	17.14%
Total	100.00%	\$ 1,763,159,954	\$ 1,482,452,065	\$ 280,707,889	18.94%

(Derived from Table 5)

**EXHIBIT 4**  
**2000 ASSESSED VALUATION**



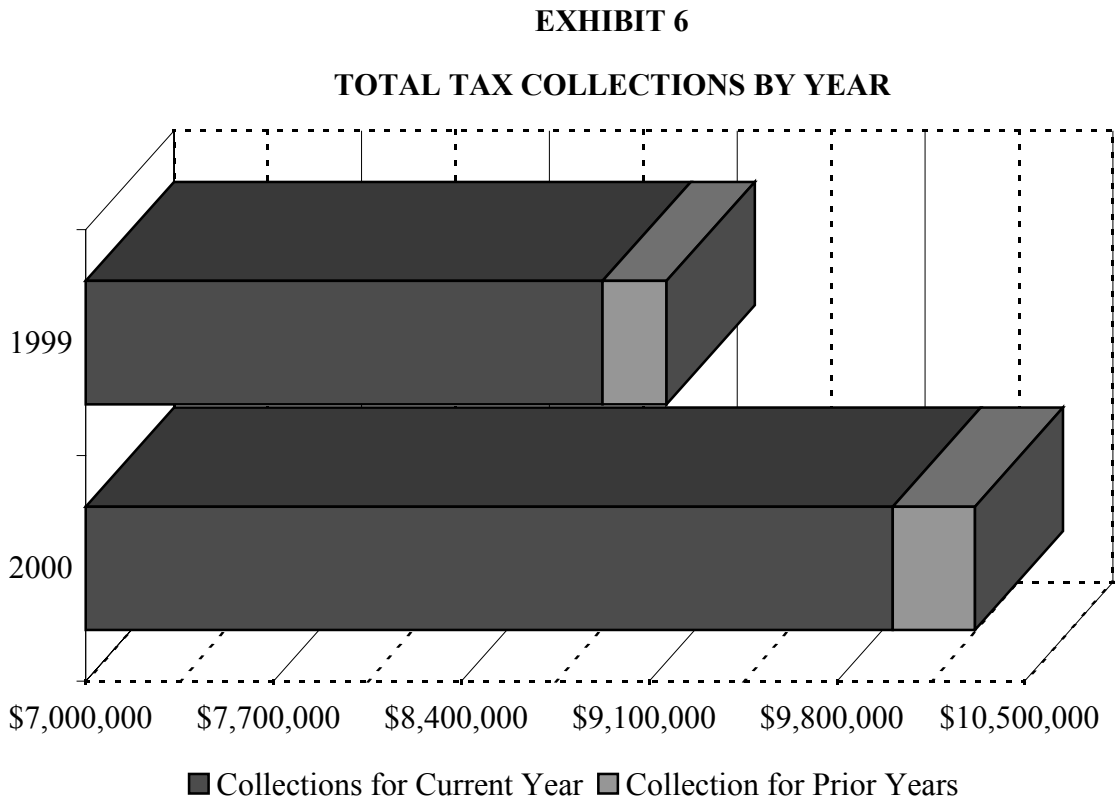
The percentage of current taxes collected in FY00 increased slightly from FY99. Exhibit 5 compares collections in FY00 and FY99. When all property tax collections are considered, the rate of collection increased from 98.85% during FY99 to 100.84% in FY00.

**EXHIBIT 5**  
**TAX COLLECTIONS**

Fiscal Year Ended June 30,	Tax Levy	Percent	Percent of Total
		Collected in Year of Levy	Collected to Tax Levy
2000	\$ 10,228,809	97.84%	100.84%
1999	\$ 9,271,351	96.28%	98.85%

(Derived from Table 4)

Exhibit 6 graphically illustrates tax collections for the two years. The collection effort continues for a ten year period, after which any uncollected amount is written off. In FY00, a total of \$18,832 was written off.



Intergovernmental Revenue

Intergovernmental revenues, which is primarily composed of State-shared revenues, increased \$537,315 (10.12%) over FY99. The most significant reason for this increase is a \$279,754 increase in reimbursements from State of North Carolina for worked performed by the City on various street projects. Also, the City received an additional \$104,455 in utilities franchise tax in FY00.

Sales Tax

Sales tax revenue comprises 13.25% of the City's total governmental revenues. This year, sales tax revenue increased \$112,102 (3.63%) from FY99. As discussed earlier, the City's local economy has continued to increase in energy, and the resulting increase in retail sales has continued to boost sales tax revenue to higher levels each year.

Investment Income

Interest earned on investments is an important contributing factor in maintaining a stable tax rate. During FY00, \$319,773 earned on investments was the equivalent of more than 1.8 cents on the local tax rate.

Other Revenues

Administrative charges to the Water and Sewer Fund increased \$219,985 (16.92%). This increase is due to an increase in the underlying expenditures for the utility provided by the General Fund based on an existing

formula used to calculate the amount of reimbursement. Miscellaneous revenues, including sale of property, rental of property, donations, and other unclassified revenues, decreased \$137,748 (10.55%). Miscellaneous revenues during FY99 were high due to the sale of one parcel of the former Flowers Bakery property for \$165,428. Charges for services increased \$24,835 (1.63%). This is attributable to increases in user fees and charges.

## **EXPENDITURES AND OTHER FINANCING USES - GOVERNMENTAL FUNDS**

Total expenditures and other financing uses increased \$1,390,531 (5.83%) during FY00. Total expenditures and other financing uses were \$25,258,837, which is approximately \$3.88 million or 13.70% under budget. Although salaries and fringe benefit costs increased throughout the City, these increases were offset by holding the line on operational expenditures.

### **EXHIBIT 7**

#### **COMPARATIVE SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES GOVERNMENTAL FUNDS**

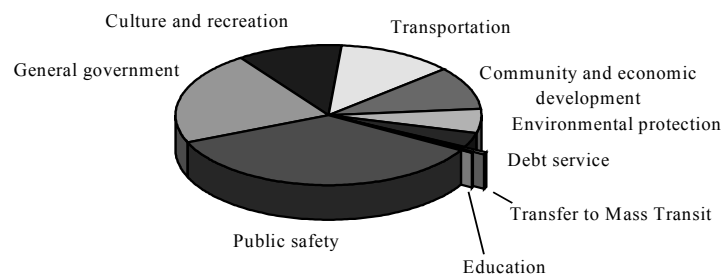
<b>Function</b>	<b>2000</b>	<b>Fiscal Year Ended June 30,</b>		<b>Increase</b>	<b>Percent</b>
	<b>Percent of Total</b>	<b>2000</b>	<b>1999</b>	<b>(Decrease)</b>	<b>(Decrease)</b>
Public safety	35.39%	\$ 8,938,838	\$ 8,113,842	\$ 824,996	10.17%
General government	21.45%	5,418,892	4,856,896	561,996	11.57%
Culture and recreation	11.29%	2,850,649	3,271,023	(420,374)	(12.85%)
Transportation	12.25%	3,094,241	3,237,416	(143,175)	(4.42%)
Community & economic development	9.98%	2,521,984	1,932,935	589,049	30.47%
Environmental protection	5.52%	1,394,724	1,470,108	(75,384)	(5.13%)
Debt service	3.31%	836,885	783,462	53,423	6.82%
Transfer to Mass Transit	0.63%	160,282	160,282	-	-
Education	0.18%	42,342	42,342	-	-
<b>Total</b>	<b>100.00%</b>	<b>\$ 25,258,837</b>	<b>\$ 23,868,306</b>	<b>\$ 1,390,531</b>	<b>5.83%</b>

(Derived from Statements B-2, C-2, and D-2)

Exhibit 7 presents a comparison of expenditures by function, while Exhibit 8 graphically illustrates where the expenditures occurred. A brief analysis of major changes follows.

### **EXHIBIT 8**

#### **EXPENDITURES AND OTHER FINANCING USES GOVERNMENTAL FUNDS – 2000**



## Public Safety

The City's Public Safety programs include police and fire service protection for which expenditures increased \$824,996 (10.17%) in FY00. Total Police Department expenditures increased \$755,532. This increase is mainly due capital outlay expenditures in the amount of \$735,286 in FY00, a \$498,589 increase from FY99. The Police Department received \$154,838 from federal and state grants to help offset these capital outlay expenditures. The Police Department spent \$97,173 to hire six new officers in FY00, all of which was offset by a federal grant. Fire Department expenditures increased a modest \$69,464 or 2.1% over FY99.

## General Government

General government includes the expenditures of the City Council, City Manager, Finance, Purchasing, Information Technologies, Human Resources, City Office Buildings, Telecommunications, Public Services Administration, and Fleet Management. The FY00 increase of \$561,996 (11.57%) is attributable to renovations to City Hall and the City Office Building totaling \$463,732.

## Culture and Recreation

Culture and recreation includes the Recreation and Landscaping departments. All the City's recreation programs, parks, recreation centers, and cultural activities and appropriations are accounted for in the Recreation Department. Culture and recreation experienced a decrease of \$420,374 or 12.85% during FY00. During FY00 the City spent \$587,829 less on the new Salisbury Community Park and Athletic Complex than in FY99.

## Transportation

Transportation expenditures, which include street maintenance, lighting, traffic engineering, and Powell Bill, decreased \$143,175 (4.42%) in FY00. Expenditures for FY99 were unusually high due to the purchase of new street maintenance equipment totaling \$180,955.

## Community and Economic Development

Expenditures during FY00 increased \$589,049 or 30.47% in the City's community and economic development programs. These programs are comprised of the City's Community Development Department, Housing and Urban Development (HUD) grant programs, Developmental Services Department, and the Plaza. This increase in expenditures is mainly due to purchases of real estate totaling \$266,124 and renovations to the Plaza for \$102,124 during FY00.

## Environmental Protection

The City's environmental protection programs are comprised of the Solid Waste Management and Cemetery departments. Expenditures decreased \$75,384 or 5.13% during FY00. Environmental Protection expenses were high during FY99 due to the purchase of a new refuse collection truck for \$119,077.

## Debt Service

Debt service expenditures increased \$53,423, a 6.82% increase. This increase is due to \$63,332 of additional debt payments on \$1,000,000 capital improvement debt issued in December 1999. The City's \$3,225,000 of general obligation bonds issued for various public improvement projects show as debt outstanding in the general long-term debt account group at June 30, 2000. The bonds are backed by the full faith and taxing

power of the City. The City also has \$2,506,256 in capital leases payable which are included in the general long-term debt account group. The general obligation bonds and the capital leases are being retired through the resources of the General Fund.

In addition to these bonds, the City accounts in the Water and Sewer Fund for an additional \$18,645,000 general obligation bonds, \$1,905,000 revenue bonds, and \$12,983,511 State Clean Water bonds outstanding at June 30, 2000 issued for Water and Sewer purposes. Also, the City has \$3,008,789 in outstanding capital leases incurred for Water and Sewer purposes.

#### Other Expenditures

The City's supplements to the Salisbury Mass Transit System and the Rowan-Salisbury School System remained unchanged from the FY99 amounts of \$160,282 and \$42,342, respectively.

### **FUND BALANCE - GENERAL FUND**

The \$5,458,644 fund balance of the General Fund at June 30, 2000, is \$1,090,399 more than the June 30, 1999 balance (see Exhibits 9 & 10). This increase can be primarily attributed to the increase in revenues of \$1,918,501 (excluding proceeds from capital leases), a 9.0% increase. Expenditures, not including capital lease expenditures, increased a modest 5.3%.

Funds available for the replacement of vehicles and other capital equipment increased slightly to \$883,595, a 2.3% increase. The portion of fund balance reserved by State statute increased \$141,049 primarily due to an increase in accounts receivable at June 30, 2000. The amount reserved for encumbrances is composed of \$360,403 for other obligations not satisfied as of the end of the fiscal year. Unrestricted and undesignated fund balance increased by \$948,441 to \$2,233,981, which is testimony to the budgetary process through which the efforts of City Council and management to curtail expenditures and to increase or create additional revenue sources are matched to exhibit a fiscally responsible organization.

#### **EXHIBIT 9**

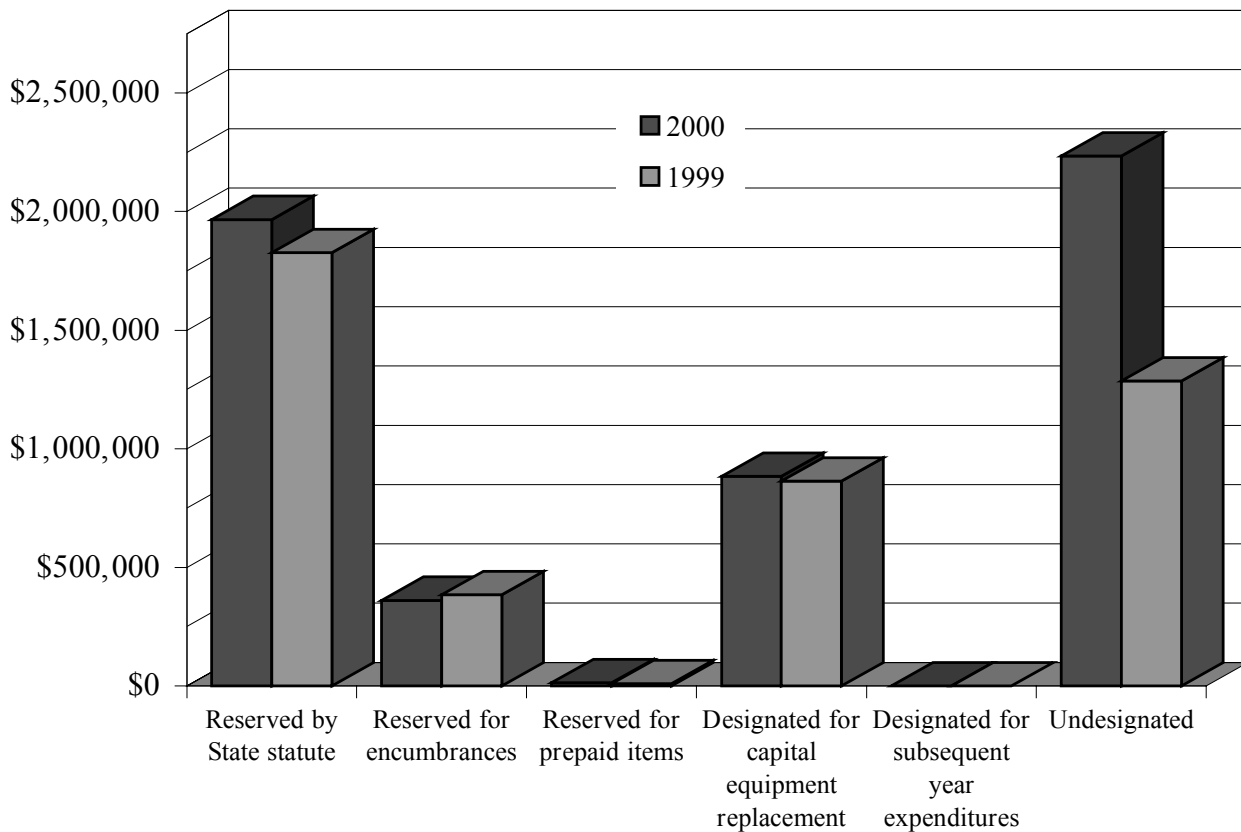
#### **FUND BALANCE GENERAL FUND**

	<b>Fiscal Year Ended June 30,</b>		<b>Increase</b>
	<b>2000</b>	<b>1999</b>	<b>(Decrease)</b>
Reserved by State statute	\$ 1,966,986	\$ 1,825,937	\$ 141,049
Reserved for encumbrances	360,403	384,576	(24,173)
Reserved for prepaid items	13,679	8,887	4,792
Unreserved:			
Designated for capital equipment replacement	883,595	863,305	20,290
Undesignated	<u>2,233,981</u>	<u>1,285,540</u>	<u>948,441</u>
Total fund balance	<u>\$ 5,458,644</u>	<u>\$ 4,368,245</u>	<u>\$ 1,090,399</u>

(Derived from Statement B-1)

## EXHIBIT 10

### COMPARATIVE ANALYSIS OF FUND BALANCE



The City follows a policy of maintaining an adequate fund balance as a safeguard against unforeseen circumstances and to provide a solid foundation for the City's fiscal health. At June 30, 2000 fund balance equaled 21.35% of the General Fund's operating budget for the new fiscal year.

### BONDED INDEBTEDNESS

Total outstanding general obligation debt, revenue bond debt, and State Clean Water Bonds at June 30, 2000 totaled \$42,275,556. North Carolina statutes provide that cities may maintain outstanding debt in an amount equal to eight percent (8%) of assessed valuation. The current statutory debt margin for the City is \$113,667,752.

### CASH MANAGEMENT

The City's temporary idle cash is invested in interest bearing demand deposits, certificates of deposit, obligations of the U.S. Treasury and federal agencies, bankers acceptances, commercial paper, and the North Carolina Capital Management Trust. All revenues received are deposited the same day in a consolidated interest-bearing bank account. This bank account is drawn upon to meet all payroll and payable obligations, and the City maintains in this account only as much money as is required to meet current obligations. All other idle cash is invested in instruments authorized by the General Statutes of North Carolina. The average yield on investments was 5.31% for the year ended June 30, 2000.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. The City's entire investment portfolio at June 30, 2000, is classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board. The remainder of the portfolio is exempt from risk categorization as the NC Capital Management Trust is an SEC registered mutual fund where the City is only a shareholder of a percentage of the fund and does not own any identifiable securities.

## RISK MANAGEMENT

In the efforts to maintain services at a reasonable cost to the citizens of Salisbury, the City has developed and maintained a risk management program that encompasses nearly every aspect of the City's operations. Insurance liability coverage is obtained through a combination of commercial insurers, the insurance pool administered by the NC League of Municipalities, and self-insurance. This approach has allowed the City to obtain maximal amounts of property and liability coverage at the most economical cost.

## REVENUE - ENTERPRISE FUNDS

Enterprise funds revenue decreased by \$206,296 (1.60%) from the previous fiscal year (see Exhibit 11). The revenue decreased in the Water and Sewer Fund by \$187,467 (1.49%) due mainly to the closing of the City's largest utility customer in the spring of 1999. Increased water and sewer rates generated additional revenue that helped to minimize the effect of the plant closing. Revenues in the Mass Transit Fund decreased \$18,829 (5.65%). Transit fare revenues increased slightly by \$3,615 (4.76%) from the prior year. Other revenues decreased \$22,444 (5.65%) due primarily to decreased funding from the State of North Carolina.

### EXHIBIT 11

#### COMPARATIVE SCHEDULE OF REVENUES ENTERPRISE FUNDS

Source	2000 Percent of Total	Fiscal Year Ended June 30,		Increase (Decrease)	Percent Increase (Decrease)
		2000	1999		
Water and Sewer:					
Charges for services	89.66%	\$ 11,405,780	\$ 11,402,462	\$ 3,318	0.03%
Other revenues	7.87%	1,001,093	1,191,878	(190,785)	(16.01%)
	<u>97.53%</u>	<u>\$ 12,406,873</u>	<u>\$ 12,594,340</u>	<u>\$ (187,467)</u>	<u>(1.49%)</u>
Mass Transit:					
Charges for services	0.62%	\$ 79,494	\$ 75,879	\$ 3,615	4.76%
Other revenues	1.85%	234,778	257,222	(22,444)	(8.73%)
	<u>2.47%</u>	<u>\$ 314,272</u>	<u>\$ 333,101</u>	<u>\$ (18,829)</u>	<u>(5.65%)</u>
Total	<u>100.00%</u>	<u>\$ 12,721,145</u>	<u>\$ 12,927,441</u>	<u>\$ (206,296)</u>	<u>(1.60%)</u>

(Derived from Statement E-2, E-5, and E-9)

## EXPENSES - ENTERPRISE FUNDS

Enterprise expenses increased \$540,968 (4.21%) over the prior fiscal year as shown in Exhibit 12. Water and Sewer Fund expenses, including depreciation, increased \$496,171 (4.01%). Administration held the line on expenses, with a \$24,659 reduction in expenditures from FY99. Operations expenses increased \$457,060 (7.77%) due to increased chemical cost and increased connection fees predicated by growth throughout the service area. Interest expense decreased by \$88,767 from FY99 due to the reduction of outstanding bonded

debt. The City will not incur debt service expenses on the new State Clean Water Bond loans until FY01. Mass Transit Fund expenses, including depreciation, increased \$44,797 or 9.3%. This increase is due largely to the increase of fuel and maintenance costs.

## EXHIBIT 12

### COMPARATIVE SCHEDULE OF EXPENSES ENTERPRISE FUNDS

Function	2000	Fiscal Year Ended June 30,		Increase (Decrease)	Percent
	Percent of Total	2000	1999		Increase (Decrease)
Water and Sewer:					
Administration	19.63%	\$ 2,627,566	\$ 2,652,225	\$ (24,659)	(0.93%)
Operations	47.37%	6,341,173	5,884,113	457,060	7.77%
Interest	10.91%	1,460,390	1,549,157	(88,767)	(5.73%)
Depreciation	18.15%	2,430,127	2,277,590	152,537	6.70%
	<u>96.07%</u>	<u>\$ 12,859,256</u>	<u>\$ 12,363,085</u>	<u>\$ 496,171</u>	<u>4.01%</u>
Mass Transit:					
Administration	0.93%	\$ 124,023	\$ 110,348	\$ 13,675	12.39%
Services	2.76%	368,945	330,440	38,505	11.65%
Depreciation	0.25%	33,304	40,687	(7,383)	(18.15%)
	<u>3.93%</u>	<u>\$ 526,272</u>	<u>\$ 481,475</u>	<u>\$ 44,797</u>	<u>9.30%</u>
Total	<u>100.00%</u>	<u>\$ 13,385,528</u>	<u>\$ 12,844,560</u>	<u>\$ 540,968</u>	<u>4.21%</u>

(Derived from Statement E-2, E-5, and E-9)

### FUND EQUITY - ENTERPRISE FUNDS

Water and Sewer Fund equity, as shown in Exhibit 13, increased by \$127,130 while the Mass Transit Fund equity decreased by \$51,088 during FY00. The Water and Sewer Fund equity increase was primarily the result of significant developer contributions. The decrease in Mass Transit fund equity was due to the increase in operational costs and the decrease in funding from the North Carolina Department of Transportation.

## EXHIBIT 13

### FUND EQUITY ENTERPRISE FUNDS

	2000	1999	Increase (Decrease)
Water and Sewer:			
Contributed capital	\$ 32,023,460	\$ 31,443,947	\$ 579,513
Retained earnings	<u>24,876,112</u>	<u>25,328,495</u>	<u>(452,383)</u>
	<u>\$ 56,899,572</u>	<u>\$ 56,772,442</u>	<u>\$ 127,130</u>
Mass Transit:			
Contributed capital	\$ 1,490,621	\$ 1,489,991	\$ 630
Retained earnings	<u>(1,224,950)</u>	<u>(1,173,232)</u>	<u>(51,718)</u>
	<u>\$ 265,671</u>	<u>\$ 316,759</u>	<u>\$ (51,088)</u>
Total fund equity	<u>\$ 57,165,243</u>	<u>\$ 57,089,201</u>	<u>\$ 76,042</u>

(Derived from Statement E-4 and E-8)



## **INTERNAL SERVICE FUNDS**

The City maintains two internal service funds for the purpose of providing services to the City's other operational funds. These funds are the Workers' Compensation Fund and the Employee Health Care Fund.

The City is self-insured for workers' compensation claims with an excess policy. The Workers' Compensation Fund is used to account for monies provided by the City and interest earnings on those monies to provide funds for major workers' compensation claims. The City incurred \$37,036 in claims during the year which required the use of City funds but not our excess policy. FY00 claims decreased \$79,279 (68.16%) from the prior year. The City maintains a constant vigilant effort to hold costs to a minimum through the City's active development of risk reduction activities. These include reviewing employee accident reports, employee accident prevention training, employee health awareness activities, and newsletters to employees.

The City also is self-insured for its employee health care policy. Premiums are established for the various classes (individual, parent-child, and family) of health care annually. The City deposits its contribution together with the amounts withheld from employees' compensation into the Employee Health Care Fund monthly. All claims for benefits under the City's health care policy are paid from this Fund. The City also maintains specific stop loss coverage of \$40,000 per employee annually and an aggregate stop loss of 120% in excess of anticipated claims. During the year, the City incurred no excess benefit claims where the specific stop loss was applied. Claims for the year were \$40,422 (2.1%) lower than last year. The Fund strives to maintain a balance in excess of the incurred but not reported claims estimate. However, as of June 30, 2000, cash and investment balances were less than the incurred but not reported claims estimate.

## **FIDUCIARY FUNDS**

The City maintains three fiduciary funds: Boards and Commissions and Municipal Service District funds, which are agency funds, and the Law Officers' Special Separation Allowance Fund, a pension trust fund.

A municipal service district was established in Salisbury in 1986 together with a non-profit company named Downtown Salisbury, Inc. to administer the disbursement of funds received by the district. The City levies a tax rate of sixteen cents per \$100 assessed valuation on this special tax district. The Municipal Service District Fund is used to account for the collection of this tax and the remittance of it to Downtown Salisbury, Inc. During the year, the City remitted \$90,261 to Downtown Salisbury, Inc. from the Municipal Service District Fund.

The Boards and Commissions Fund is used to accumulate and disburse funds earned by the Community Appearance Commission and the Tree Board. At June 30, 2000, they had a balance of \$3,126 available for their use.

The Law Officers' Special Separation Allowance Fund was established to account for the pension activities mandated by State statute under the Law Enforcement Officers' Special Separation Allowance. The Fund accounts for contributions made by the City to provide for pension benefits, interest earnings on these monies, and the disbursement of pension amounts. During FY00, the City paid \$19,644 in pension benefits. The City conducts an actuarial review of the Plan on an annual basis and adjusts the required contributions to the Fund at the beginning of each fiscal year.

## **CONCLUSION**

The City of Salisbury has been fortunate to continue to experience rates of growth in its revenue base from taxable valuation during FY00. This growth was sufficient to accommodate expenditures during the year and maintain favorable fund equity.

As we look ahead to the future, a great financial responsibility awaits the City in the Water and Sewer Fund. The City will continue several projects begun during FY98 and FY99. Current projects, which are being financed by \$15,200,000 in State Clean Water Bonds, will ensure a reliable supply of water for our residents; protect the environmental habitats of Grants Creek, Town Creek, and High Rock Lake, and generally provide for the future of our community. The magnitude of these projects is critically important to the City. Increasing State and federal water and wastewater mandates have required the City to make continual investment in water and sewer systems infrastructure and in costs to operate these systems. Significant capital projects are underway and planned for the future. Now that we know what needs to be done, we will continue in earnest to complete the improvements to the Water and Sewer Utility for the next decade of growth.

The future holds many uncertainties. Federal and State mandates continue to severely press local governments in all areas of operations, not just water and sewer. The citizens of Salisbury have come to expect and appreciate the high level of service they enjoy. The management of the City is necessarily charged with managing its resources in the best possible manner to deliver those services at a cost citizens will agree to bear. As long as revenue growth rates do not decline unexpectedly; the costs of providing services do not escalate more rapidly than in previous years; and the City continues to evaluate all existing and potential revenue options, including annexations, we can accomplish this task. It will not be easy, but few challenges are. All City operations are being asked to contribute to the focused effort to maintain our ability and readiness to respond to our citizens. We have made it happen before, and we will make it happen again. Overall, continued growth and policy adjustments that have been initiated by City Council will continue to provide the City a stable financial position from which we may serve the citizens of Salisbury for years to come.

### **ACKNOWLEDGMENTS**

We wish to thank the Mayor, City Council and the City Manager for the support and trust they have given the Finance Department. On behalf of the team of the Finance Department, we promise our continued dedication to proving ourselves worthy of their support and trust. We are confident that together we can provide the citizens of Salisbury with responsible and progressive financial management.

For the preparation of this Report, the City is especially indebted to Myra B. Heard, Finance Specialist, Mark D. Drye, Accountant, and Michael D. West, Productivity Analyst. Without their assistance, this Report could not have been prepared on a timely basis.

Each year, we strive to prepare a financial report which provides a meaningful analysis and disclosure of the City's financial activities and financial position. We believe this Report conforms substantially to the standards of financial reporting of the appropriate professional organizations.

Respectfully submitted,

John A. Sofley, Jr.  
Finance Director

S. Wade Furches  
Accounting Manager

# Certificate of Achievement for Excellence in Financial Reporting

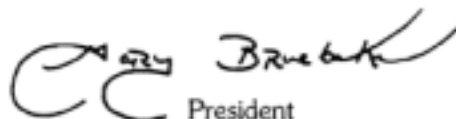
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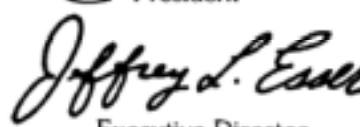
City of Salisbury,  
North Carolina

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 1999

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

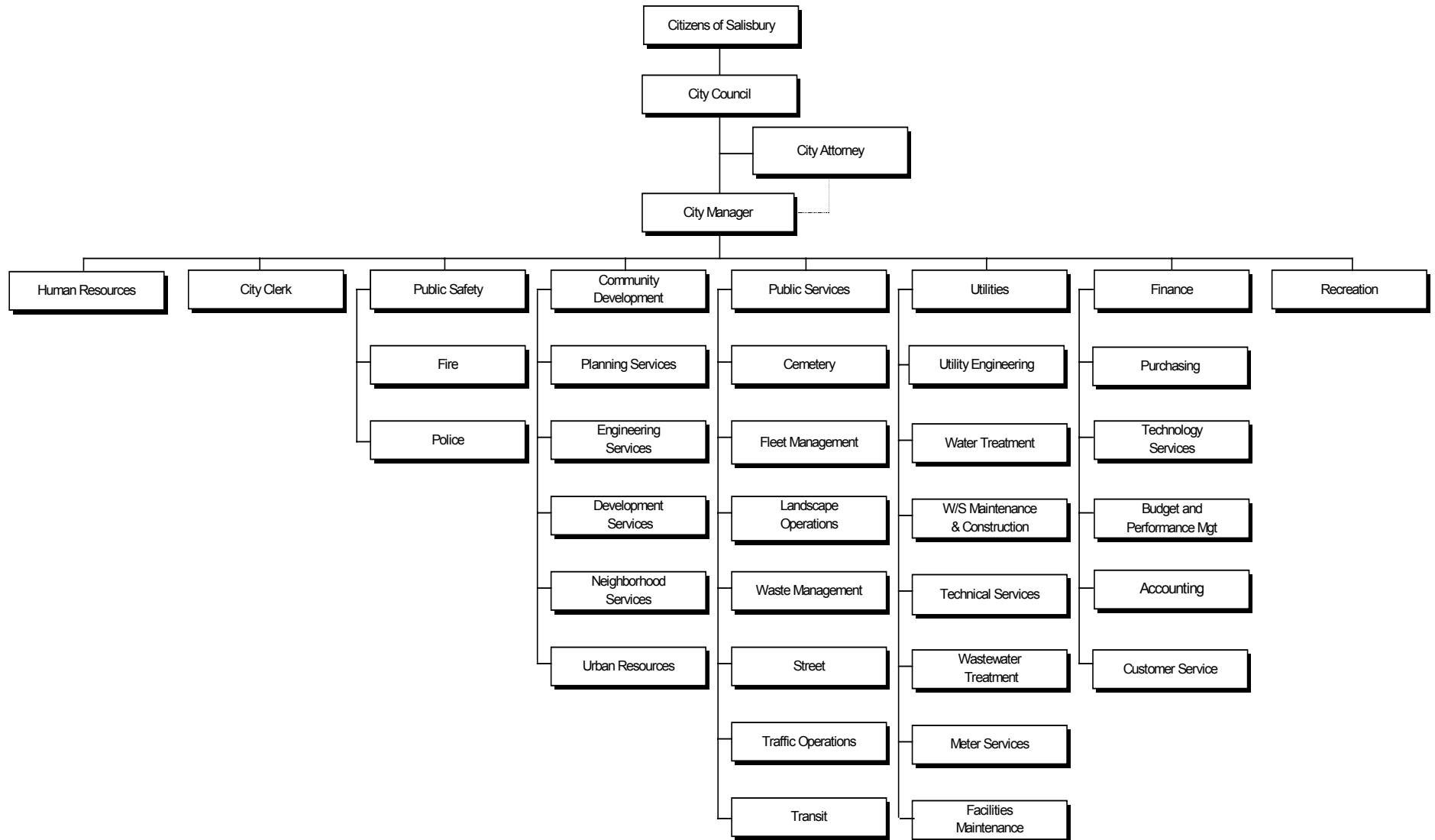


  
President

  
Executive Director

# CITY OF SALISBURY

## ORGANIZATIONAL CHART



**CITY OF SALISBURY**  
**LIST OF PRINCIPAL OFFICIALS**

June 30, 2000

Mayor	Susan W. Kluttz
Mayor Pro Tem	Paul B. Woodson, Jr.
Council Member	William R. Burgin
Council Member	William R. Kennedy
Council Member	R. Scott Maddox
City Manager	David W. Treme
Assistant City Manager	J. Foster Owen
City Clerk	Virginia P. Petrea
Finance Director	John A. Sofley, Jr.
Fire Chief	Samuel I. Brady
Land Management and Development Director	Larry W. Chilton
Technology Services Manager	C. Michael Crowell
Human Resources Director	Melissa H. Taylor
Police Chief	M. Chris Herring
Public Services Director	Vernon E. Sherrill
Purchasing Agent	Dewey D. Peck
Recreation Director	Gail Elder-White
Utilities Director	John C. Vest

# **FACTS AND INFORMATION ABOUT THE CITY OF SALISBURY, NORTH CAROLINA**

## **LOCATION**

Salisbury, the county seat of Rowan County, is located in the heart of the beautiful Piedmont area; the industrial heart of the State. Salisbury is located midway between Charlotte and Winston-Salem, 296 miles from Atlanta, Georgia and 368 miles from Washington, D.C.

## **CLIMATE**

The climate of the Salisbury area is moderate, a definite advantage to those who live and work here. The massive mountains of Western North Carolina form a natural barrier against the cold east-west winds. While definitely southern in climate, Salisbury is far enough north, and has sufficient altitude to escape the humid summers of many other southern regions. Extremes in climate are very rare and short-lived. In winter the high temperature is about 50 degrees, with a low around 32 degrees. The total snowfall is normally about 6 inches each year. In the summer, the high averages about 87 degrees, with a low of 66 degrees.

## **POPULATION**

The City of Salisbury has been able to maintain its population during the 90's unlike many other similar sized cities. This is due to both annexations and internal growth stimulated by the local economy. Population currently is estimated to be 27,500.

## **HISTORY**

Scotch-Irish, who originally settled in Lancaster County, Pennsylvania, moved down the "Great Wagon Road" 435 miles to Trading Ford on the Yadkin River to become the first settlers in Rowan County.

The County of Rowan was established in 1753. At this time, Rowan included all territory north to Virginia and east to what we know now as Guilford County and west to the mountains. Eventually, 26 counties were formed from Rowan. Rowan County was named for Matthew Rowan, acting governor for the colony in 1753.

The deed for Salisbury is dated February 11, 1755. The court center, called prior to this time Rowan Court

House, was a bustling little village of seven or eight log cabins, a court house, jail and pillory, according to Governor Arthur Dobbs who visited here in late 1755.

The Court House dates to 1753 and consists of deeds, marriages, and miscellaneous records of value. Papers formerly in the Clerk's Office such as the early court minutes are stored at the State Department of Archives in Raleigh. Familiar names in American history adorn these records.

Andrew Jackson, Richard Henderson, William R. Davis, Daniel Boone, Lord Cornwallis, Richard Caswell and many other prominent local families as the Barkleys, Hoovers, and Polks, all ancestors of presidents or vice-presidents, appear time and again in the deeds and court minutes of the county.

Two years before the national Declaration of Independence and one year before the Mecklenburg Declaration of Independence, a group of patriotic citizens of Rowan County, serving as a Committee of Safety, on August 8, 1774, adopted the Rowan Resolves containing the pioneer element toward liberty and independence from Britain. These resolves reached the highest note of any passed in the colony in calling for the abolishment of the African Slave trade and urging the colonies to "unite in an indissoluble union and association". These resolves are located in the State Archives and are the only ones of the many passed in this period that are preserved.

So many legends and lifestyles have been passed down over the passage of time. Daniel Boone began his exploration of the Blue Ridge Mountains from here in Salisbury. Near the present-day library, is the small office where Andrew Jackson studied law and was admitted to the bar before he moved westward.

For all the struggles and hardships our ancestors endured, they have provided Salisbury with character and a rich heritage.

## **GOVERNMENT**

The City of Salisbury's government is organized according to the Council-Manager form of government. The City Council, which formulates policy for the Administration of the City, together with the Mayor, constitutes the governing body of the City. The five (5) members are elected to serve two (2) year terms of office. The Mayor is elected from the five (5) Council members. The Mayor presides at City Council

meetings. Also, a Mayor Pro Tem is elected by City Council members from the five (5) to serve as Mayor during her absence or disability.

The City Council appoints the City Manager to serve as the City's Chief Executive Officer. The City Manager is responsible for implementing the policies of the City Council, directing business and administrative procedures, and appointing departmental officers. At the present time, the City Manager is assisted by the City Clerk and eight staff departments including Finance, Human Resources, Fire, Police, Land Management and Development, Public Services, Parks and Recreation, and Public Utilities.

## **UTILITIES**

Salisbury operates its own water and sewer system. The Yadkin River, which forms the northeast boundary of Rowan County, provides Salisbury with an abundant supply of good water. The average daily flow is nearly 2 billion gallons per day, and the minimum recorded one-day flow is 300 million gallons. The Salisbury water system, conventional in design and closely controlled, has a treatment capacity of 12 million gallons per day. Average daily usage during 2000 was 6.68 million gallons per day. The filter plant is designed for expansion as needed to 18 million gallons per day by adding pumping and settling capacity. An arterial system of distribution mains has been constructed to assure maximum fire protection to all parts of the city.

The Salisbury water system supplies three smaller towns in the County, Spencer, East Spencer, and Granite Quarry, and has been extended to a number of industrial sites well beyond the city limits. Additionally, Salisbury operates and maintains the well system for the Town of Rockwell. The water supply meets all federal and State quality requirements. Salisbury's water is fluoridated on a continuing basis. Salisbury's two wastewater treatment facilities serve as the area's regional wastewater utility with service expansion to the towns of Landis, China Grove, East Spencer, Granite Quarry, and Rockwell. Total daily treatment capacity in 1999 was 12.5 million gallons. Average daily treatment in 2000 was 8.75 million gallons per day.

The City of Salisbury owns and operates the water and sewer utility systems in both Granite Quarry and Rockwell and their surrounding area.

Other utilities are provided by Duke Energy Corporation, Piedmont Natural Gas Company, Bellsouth Telephone, and CT Communications.

## **TRANSPORTATION**

Salisbury, nearly the geographic and population center of North Carolina, is located on Interstate Highway 85, 42 miles from Charlotte, 53 miles from Greensboro and 38 miles from Winston-Salem. It is the crossroads of I-85, U.S. 29, 52, 70, 601 and N.C. 150. Over 3 million people live within 90 miles of Salisbury, 1.5 million within 55 miles and 60% of the population of the United States within an overnight truck haul. The seaports of Wilmington, Morehead City, Charleston, and Norfolk are less than a one-day truck haul away.

Rowan County Airport, three (3) miles from downtown Salisbury, has a 5,800 ft. x 100 ft. paved and lighted runway. Hangar space and private plane servicing are available.

The major commercial airports at Charlotte and Greensboro-High Point are less than an hour's easy drive from Salisbury. These airports provide excellent service to all parts of the United States via United, USAirways, Delta, TWA, Continental, Eastwind and American Airlines. There are also direct flights available to London and Frankfurt.

Bus service is provided by Carolina Trailways and Greyhound with daily arrivals and departures. Their service also includes parcel shipments. Local bus service is provided by the City's Transit System.

Amtrak provides rail transportation with service on the Piedmont and the Carolinian from New York City to Charlotte, North Carolina. Arrivals and departures are from The Depot, a renovated station of the Salisbury Railroad Station Depot, originally built in 1907.

## **MOTELS**

An ideal area for small conventions, Salisbury has nine (9) motels, with over 880 rooms, and two (2) bed and breakfast establishments in our historic district. There are currently two new motels under construction that will add 147 rooms.

## **EDUCATION**

Salisbury is home to two (2) colleges and a technical college. Catawba College has thirty (30) buildings comprising a physical plant unsurpassed in the East for a college of this size and style. It has a total enrollment of 1,300 Liberal Arts Co-ed students and is affiliated with the United Church of Christ. Catawba College was founded in Newton, North Carolina in 1851, and opened in Salisbury in 1925.

Livingstone College was founded in 1879, and has 900 Liberal Arts Co-ed students. It is supported by the African Methodist Episcopal Zion Church; Hood Theological Seminary is located at Livingstone.

Rowan-Cabarrus Community College offers two-year educational programs leading to the associated degree in applied science. In addition, one-year diploma programs are offered in five fields. There is a total enrollment of approximately 3,500 full-time students.

In addition to the Salisbury-Rowan public school system, there are several private and church related elementary schools.

### **ARTS AND ENTERTAINMENT**

The cultural atmosphere of the Salisbury area is significantly enriched by the outstanding programs of Catawba and Livingstone Colleges and the other colleges in the area. Each year the Catawba College Shuford School of Performing Art brings a minimum of four musical events to Salisbury. Catawba's fine Drama department offers several professional type drama productions each year. Livingstone College also has a cultural series that brings artists to the community as well as an excellent drama group, The Julia B. Duncan Players.

The Piedmont Players, a community little theater organization, provides excellent entertainment as well as a chance to participate in both its acting and technical activities. They have completely restored the historic Meroney Theater, built in 1905. This theater provides a home for the Players and other performing artists.

The Salisbury-Rowan Symphony, consisting of musicians from the area, presents four concerts each season. In addition to participation in the regular concert series, the string quartet of the Salisbury Symphony visits the elementary schools to present programs. The object of this mini-concert series is to give the students some knowledge of music and famous composers.

Rowan-Cabarrus Community College participates in the North Carolina Visiting Artist Program. Each year a professional artist is employed and in residence at the college. Concerts and musical programs are provided regularly by many artists throughout the state as well as the Visiting Artist. In addition, Rowan-Cabarrus Community College sponsors a Folk Heritage Center. This center serves as a network for professional and local folk artists and presents classes, concerts, and other folk artist activities for the general public.

### **COMMUNITY FACILITIES**

Salisbury is served daily by The Salisbury Post. Four (4) radio stations provide for local programming. Although there are no local television stations, WBTV operates a satellite newsroom located in Salisbury. Local reception provides coverage of all major networks in addition to cable television facilities.

A full-time year-round recreation staff offers activities for both young and old. In addition to organized activities, the City provides several parks and facilities for general use.

City Park has a completely equipped playground, tennis courts and a five (5) acre lake for fishing. Salisbury has a Civic Center with weight room, racquetball courts, auditorium, tennis courts and a handicap exercise trail.

Kesley-Scott Park is a fifteen (15) acre park located on Old Wilkesboro Road. Jaycee Sports Complex is a multi-use area with four (4) ball fields.

Hurley Park is a municipal garden which has a unique collection of plants to the area. The Park provides an educational experience as well as a pleasurable place to stroll.

In addition to these parks, the City of Salisbury is currently constructing a new community park that will total over 350 acres. The park will include athletic fields, passive areas, trails, and a lake. The initial phase of the project has been completed and the City will have an official "grand opening" in the spring of next year.

### **SPECIAL EVENTS**

In addition to these parks, the City of Salisbury is currently constructing a new community park that will total over 350 acres. The park will include athletic fields, passive areas, trails, and a lake. The initial phase of the project has been completed and the City will have an official "grand opening" in the spring of next.



